

HOUSE BILL 629

Q1

2lr1053

By: **Delegates Bobo, Carr, Donoghue, Frush, Healey, Hubbard, K. Kelly, Luedtke, and Stukes**

Introduced and read first time: February 7, 2012

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Renter's Property Tax Relief Program**

3 FOR the purpose of altering eligibility for certain property tax relief provided to
4 certain real property renters; providing for the application of this Act; and
5 generally relating to a certain renter's property tax relief program.

6 BY repealing and reenacting, with amendments,
7 Article – Tax – Property
8 Section 9–102
9 Annotated Code of Maryland
10 (2007 Replacement Volume and 2011 Supplement)

11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
12 MARYLAND, That the Laws of Maryland read as follows:

13 **Article – Tax – Property**

14 9–102.

15 (a) (1) In this section the following words have the meanings indicated.

16 (2) (i) “Assets” include:

- 17 1. real property;
- 18 2. cash;
- 19 3. savings accounts;
- 20 4. stocks;

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 4. support money;
- 2 5. any nontaxable strike benefit;
- 3 6. public assistance received in a cash grant;
- 4 7. a pension;
- 5 8. an annuity;
- 6 9. any unemployment insurance benefit;
- 7 10. any workers' compensation benefit; and
- 8 11. the net income received from a business, rental, or
- 9 other endeavor.

10 (iii) "Gross income" does not include:

- 11 1. any income tax refund received from the State or
- 12 federal government, including any refundable portion of the federal earned income tax
- 13 credit; or
- 14 2. any loss from business, rental, or other endeavor.

15 (7) "Net worth" means the sum of the current market value of all

16 assets, less any outstanding liability.

17 (8) "Occupancy rent" means the rent paid for the right to occupy a

18 dwelling less the reasonable value of the utilities or furnishings or both if the utilities

19 or the use of the furnishings or both are included in the rent.

20 (9) "Renter" means an individual, who during the calendar year for

21 which the property tax relief under this section is sought, actually occupies a dwelling

22 in which the individual has a leasehold interest and who[

- 23 (i) is at least 60 years old;
- 24 (ii) has been found permanently and totally disabled and has
- 25 qualified for benefits under:
 - 26 1. the Social Security Act;
 - 27 2. the Railroad Retirement Act;
 - 28 3. any federal act for members of the United States
 - 29 armed forces; or

1 4. any federal retirement system;

2 (iii) has been found permanently and totally disabled by a county
3 health officer or the Baltimore City Commissioner of Health; or

4 (iv) is under the age of 60 years and:

5 1. has gross income below the poverty threshold that is
6 established by the U.S. Department of Commerce, Bureau of the Census in August of
7 the previous calendar year;

8 2. has 1 or more dependent children under 18 years old
9 living with the renter; and

10 3.] does not receive federal or State housing subsidies or
11 reside in public housing.

12 (b) There is a property tax relief program for any renter.

13 (c) The Department shall adopt regulations necessary to carry out this
14 section.

15 (d) (1) The Department shall give to each renter notice of possible
16 property tax relief under this section.

17 (2) The Comptroller shall provide in each package of income tax forms
18 and instructions notice of the availability of a property tax credit under this section.
19 Such notice shall be similar in every way to that provided homeowners in § 9–104(f) of
20 this subtitle.

21 (e) If a dwelling is not actually occupied or expected to be occupied by the
22 renter for 6 months or more of the calendar year, the dwelling is not a principal
23 residence.

24 (f) (1) On or before September 1 of the year following the calendar year
25 for which property tax relief under this section is sought, a renter may apply to the
26 Department for the property tax relief. The application shall be made on the form that
27 the Department provides.

28 (2) For good cause, the Department may accept an application from a
29 renter after September 1 but on or before October 31 of the year following the calendar
30 year for which property tax relief under this section is sought.

31 (3) The renter shall state under oath that the statements in the
32 application are true.

1 (4) To substantiate the application, the applicant may be required to
2 provide a copy of an income tax return, or other evidence detailing gross income or net
3 worth.

4 (g) Notwithstanding § 13–202 of the Tax – General Article, to verify the
5 income stated in an application, the Comptroller shall give the Department the
6 information required.

7 (h) (1) The property tax relief that a renter may receive under this section
8 is the assumed property tax on real property less a percentage of the combined income
9 of the renter.

10 (2) The percentage is:

11 (i) 0% of the 1st \$4,000 of combined income;

12 (ii) 2.5% of the 2nd \$4,000 of combined income;

13 (iii) 5.5% of the 3rd \$4,000 of combined income;

14 (iv) 7.5% of the 4th \$4,000 of combined income; and

15 (v) 9% of the combined income over \$16,000.

16 (i) The property tax relief under this section may not be:

17 (1) more than \$750;

18 (2) granted to any renter whose combined net worth exceeds \$200,000
19 as of December 31 of the calendar year for which the property tax relief is sought;

20 (3) granted to any renter whose dwelling is exempt from property tax;
21 and

22 (4) granted if the credit under this section is less than \$1 in any year.

23 (j) (1) The Department shall:

24 (i) process applications upon receipt;

25 (ii) certify to the Comptroller the property tax relief under this
26 section due each renter; and

27 (iii) make the certifications required under item (ii) of this
28 paragraph no less frequently than each month.

1 (2) The Comptroller shall pay the amount to the renter upon receipt of
2 the certification from the Department.

3 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
4 July 1, 2012, and shall be applicable to all tax relief under § 9–102 of the Tax –
5 Property Article for all calendar years beginning after December 31, 2011.